

JAN 10 2005

FILED

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

IN THE MATTER OF THE DENIAL OF
APPLICATION FOR LICENSE FOR
KARLA STORY-MAHONEY

)
) FINDINGS OF FACT, CONCLUSIONS
) OF LAW, RECOMMENDED ORDER
) AND ORDER

)
) CAUSE NO. A-1608
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Jan 21, 2005 ACCT# 8521 \$500.00
NO-INVOICE TRAN# 1401417
STORY-MAHONEY, KARLA M
CHECK# 4332

This matter came on for hearing on the 4th day of January, 2005, before Martin W.

Swanson, a hearing officer duly appointed by the Director of the Nebraska Department of Insurance. The Nebraska Department of Insurance ("Department") was represented by its attorney, Christy Neighbors. Karla Story-Mahoney (Mahoney) was present and was not represented by an attorney. The proceedings were tape recorded by Tracy Gruhn, a licensed Notary Public. Evidence was received, testimony was adduced and the matter was taken under advisement. As a result of the hearing, the hearing officer makes the following Findings of Fact, Conclusions of Law, and Recommended Order.

FINDINGS OF FACT

1. Mahoney was formerly a licensed insurance producer. Her former registered address with the Department of Insurance was 15320 Wycliffe Drive, #17, Omaha, Nebraska 68154. See E3. Currently, her address is 12152 Allan Drive, Omaha, Nebraska 68137. See E2.
2. The Department is the agency of the State of Nebraska charged with licensing insurance producers.

3. Mahoney has had two previous administrative actions taken against her. In A-1377, Mahoney was found to have not responded to an inquiry by the Nebraska Department of Insurance. She was fined \$500 by the Department of Insurance. See E3. Subsequently, she had her insurance producers license revoked in Cause Number A-1386 for her failure to comply with the order from A-1377 and for violating Neb. Rev. Stat. §44-4028(11). It appears from Exhibit 4 that Mahoney did pick up her certified mail that was sent to her Harrison Street Plaza address regarding the Petition and Notice of Hearing filed in A-1386. It does not appear, however, that she picked up her notice that she had been revoked. See E4.

4. On or about November 17, 2004, Mahoney applied for a new insurance producer license. On the application, she noted under Part III, question B that she did not have any disciplinary action taken against her. Mahoney was applying for a Property and Casualty license. Mahoney had completed the pre-licensing certificate of compliance and paid the appropriate fees. See E1.

5. On November 29, 2004, Beverley Creager (Creager), license administrator for the Nebraska Department of Insurance, sent Mahoney a letter denying reinstatement. In that letter, Mahoney was informed of her right to a hearing on the denial. The letter was sent certified to Mahoney. Additionally, Mahoney was informed that she had previously been revoked. See E1.

6. On or about December 4, 2004, Mahoney requested a hearing. See E2.

7. At the hearing, Mahoney testified and stated that during the time frame that the two previous actions were taken, she moved seven times and that she was experiencing a difficult pregnancy and had a sick baby. She did not go into detail as to the illness of the child nor why she moved seven times during the time frame. Mahoney admitted to immaturity at that time and was present at this hearing to assure the Department of Insurance that she was mature and was willing to

do whatever it took to obtain a license. She did not necessarily want to sell insurance; rather, she was currently working at her father-in-law's insurance agency and wanted the ability to do more work for him at the office. That work would require a producer's insurance license.

8. Mike Mahoney, Mahoney's father in law, also testified and stated that he would like to have Mahoney's role at his agency expand but that could only occur if she had an insurance producer's license.

9. Creager also testified at the hearing. Her testimony provided the foundation for the action that she took and she also recommended that Mahoney have her license reinstated after payment of her \$500 fine plus the completion of a corrected application.

CONCLUSIONS OF LAW

1. The Department has jurisdiction and control over the licensing of Mahoney to sell insurance in the State of Nebraska pursuant to Neb. Rev. Stat. §44-101.01 and §44-4001 et seq.


2. The Department has personal jurisdiction over Mahoney.

RECOMMENDED ORDER

Based on the Findings of Fact and Conclusions of Law, it is recommended that Mahoney's application for her Insurance Producer's License be accepted and her license granted only upon the payment of the outstanding \$500 judgment plus a corrected and accurate application that satisfies the requirements for licensure as determined by Nebraska law and by the licensing division of the Nebraska Department of Insurance. The Nebraska Department of Insurance will continue to retain jurisdiction over this matter until Mahoney has complied with all provisions of this order.

Dated this 7th day of January, 2005.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

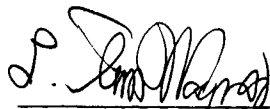

Martin W. Swanson
Hearing Officer

CERTIFICATE OF ADOPTION

I have reviewed the foregoing Findings of Fact, Conclusions of Law, and Recommended Order and hereby certify that the Recommended Order is adopted as the official and final Order of this Department in the matter of the denial of application for license for Karla Story-Mahoney, A-1608.

Dated this 10th day of January 2005.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE


L. TIM WAGNER
Director of Insurance

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Findings of Fact, Conclusions of Law, Recommended Order, and Order was served upon Karla Story-Mahoney, by mailing a copy to Karla Story-Mahoney at 12152 Allan Drive, Omaha, Nebraska 68137, by certified mail, return receipt requested, on this 12th day of January, 2005.

